

DEPARTMENT OF EMPLOYMENT AND TRAINING

CO-OPERATIVE DEVELOPMENT PROGRAM

GUIDE FOR APPLICANTS

INTRODUCTION

This Guide for Applicants is designed to assist you in preparing an application for funding under the Co-operative Development Program. If you want to apply for funding you should read this Guide carefully.

WHAT IS THE PURPOSE OF THE CO-OPERATIVE DEVELOPMENT PROGRAM?

The Co-operative Development Program is a response to initiatives by the community to establish co-operative business enterprises as a response to unemployment. Its establishment and development within the context of eventual self-sufficiency of funded co-operatives will allow for the specific circumstances of the unemployed involved in co-operatives and the necessary lead-time for their establishment. The Program is an integrated and inter-dependent package and will operate under the following fundamental principles:

- . The co-operatives funded must have the potential to become self-sufficient within a necessary lead-time for their establishment and development as business ventures.
- . The co-operatives funded must be operated as real business enterprises under the law.
- . The co-operatives will be held strictly accountable for their usage of public monies.
- . The Program and individual co-operatives will be monitored on an on-going basis and evaluated while in receipt of public monies.

DEPARTMENT OF EMPLOYMENT AND TRAINING

CO-OPERATIVE DEVELOPMENT PROGRAM

THE FUNDING COMMITTEE

INTRODUCTION

1. The Co-operative Development Program's Funding Committee is responsible for determining the eligibility for funding and for allocating funds.

COMPOSITION

2. The following will be members of the Funding Committee:

Representatives from the Ministry of Employment and Training (2)

Representatives from the Co-operative Federation of Victoria (3)

The Registry of Co-operatives (1)

The Small Business Development Corporation (1)

The Department of Labour and Industry (1)

The Co-operative Adviser will attend in a non-voting capacity.

There will be no quorum.

MEETING PROCEDURES

3. The Committee will normally meet monthly on the second Tuesday morning of each month.
4. Voting will be by a show of hands normally.

5. All applicant co-operatives may send two representatives to discuss their application with the Funding Committee. The representatives will not be present when a decision is made on funding.
6. Normally, applications for funding must be received by the Funding Committee at least three weeks prior to a meeting of the Funding Committee. This will enable clarification of any matters in the submission, a field visit by the co-operative liaison officer to the applicant group and enable all members of the Funding Committee to have copies of applications for at least five working days prior to funding committee meetings.

FUNDING CONSIDERATIONS

7. Considerations involved in determining the initial and continuing funding of co-operatives will be as detailed in the Funding Conditions document. The application of these conditions will be subject to:
 - 7.1 The specific circumstances and needs of members/ participants/workers in co-operatives.
 - 7.2 The lead-time necessary for the establishment and development of the co-operative as a self-sufficient business venture.

CONTINUING FUNDING

8. Continuing Funding of co-operatives will not be guaranteed but will depend on the success and/or progress of the individual co-operatives in meeting the programs and their own stated objectives.

9. Considerations involved in making decisions on continuing funding will allow for a normal establishment and development period of up to three years and the circumstantial difficulties faced by the co-operative in becoming a self sufficient business venture.

REVIEW

10. The Funding Committee will review co-operatives and the co-operative program through:
 - 10.1 Monthly and quarterly reports from the Co-operative Advisor;
 - 10.2 Liaison with and discussions regarding inspections of co-operatives by the Registry of Co-operatives;
 - 10.3 Quarterly reports regarding quarterly meetings between the Department and funded co-operatives;
 - 10.4 Quarterly meetings with the independent evaluators; and
 - 10.5 Compliance with the accountability procedures outlined in the Funding Conditions document.

DEPARTMENT OF EMPLOYMENT AND TRAINING

APPLICATION FOR FUNDING

CO-OPERATIVE DEVELOPMENT PROGRAM

GRANTS/LOANS

1. Name and address of co-operative/group: _____

Telephone: _____

2. Name, address and telephone number of contact person:

3. Amount and type (grant and/or loan) requested:*

4. What is the legal status of your group?

Unincorporated

Incorporated co-operative

Other (specify) _____

If incorporated, please provide documentation.

If unincorporated, please provide a copy of any constitution.

5. How long has the co-operative/group existed?

* Append a detailed budget to this application.

6. Why was the co-operative/group formed?

7. How did the co-operative/group come into existence?

8. Where did the initial interest come from?

9. How was the co-operative/group set up?

10. Was the co-operatives/group's early development assisted by any other group or organisation?

11. Summarise what the organisation/group has achieved since its establishment? Include any available documentation including annual reports and financial statements.

12. What are the actual/proposed business areas/activities of the co-operative/group?

13. Does the applicant group have an overseeing committee/board?

Yes

No

If yes, list the members by name and occupation.

14. How many members do you have?

What are the conditions for membership?

What are the objects of the group?

15. What are the factors that will ensure the actual/proposed co-operative will be co-operative in character and operation?

16. What are the reasons for believing that the group will be able to carry out its objects successfully?

17. Has the group undertaken a feasibility study?

Yes

No

State reasons for answer. Attach relevant documentation.

18. What are the reasons for believing that the actual/proposed co-operative will eventually achieve self-sufficiency?

19. Have you received other financial support?

Yes

No

If yes, detail the financial report when received and the purpose if stipulated.

20. As well as this application, are you seeking other financial support?

Yes

No

If yes, briefly detail to whom application is being made and for what purpose.

21. What is the projected number of workers in the co-operative?

22. What arrangements will be made concerning relevant legislation covering co-operatives?

23. Do you have audited financial statements for the last two financial years?

Yes

No

If no, explain why.

If yes, include with your application.

DEPARTMENT OF EMPLOYMENT AND TRAINING

CO-OPERATIVE DEVELOPMENT PROGRAM

FUNDING CONDITIONS

In order to become and remain eligible for funding, the following conditions will normally apply to co-operatives, unless otherwise agreed to by the Funding Committee:

1. Registration and continued meeting of the requirements of registration.
2. A real understanding of co-operative principle and practice e.g. membership of the Co-operative Federation of Victoria and attendance at meetings of community co-operatives.
3. Acceptance and observance of all relevant responsibilities as employers required under Commonwealth and State legislation and regulations. The onus is on the co-operatives to know and observe relevant legislation and regulations.
4. The establishment and maintenance of adequate financial records supervised by a qualified accountant. Banking, financial and money management details should be fully disclosed.
5. Grants and/or loans will only be used for the stipulated purposes. A formal application will have to be made to the Funding Committee for any approval to alter use of monies allocated for specific purposes.
6. All costs must be built into pricing structures.
7. Acceptance of the need for full accountability to the Funding Committee through:

- Monthly cash flow statements, balance sheets and profit and loss statements;
 - Copies of all Board minutes and any associated documents considered by the Board;
 - Quarterly reports indicating the extent to which the goal of self-sufficiency is being attained.
 - Normally, audited statements on the use of previous loans and grants will be required prior to any refunding.
8. The demonstrated and continued contribution and initiative of initiators and supporters including the active and substantial involvement of the unemployed in all phases of the co-operatives and of people with necessary managerial skills and competence.
 9. The capacity to successfully carry out stated objectives, and the feasibility of these proposed/actual activities within available resources and time frame.
 10. The capacity to become economically self-sufficient within a three year period.
 11. The existence of or acceptance of the need for a feasibility and/or market study and/or the existence of tried business areas.
 12. An emphasis on labour rather than capital intensity activities.
 13. Subject to market conditions, an emphasis on activities that do not compete unfairly with existing business enterprises.

14. The nature and future economic relevance of the actual/proposed goods produced and services provided.
15. Defined, specified and few objectives and an emphasis on a few stable single products or services.

26 April, 1981.